

**WASHINGTON** - U.S. Rep. Harry Mitchell today called for an expansion and extension of the Homebuyer Tax Credit in a letter to House Ways and Means Committee Chairman Charlie Rangel. Mitchell wrote in support of two bipartisan bills that would increase the tax incentives and extend tax cuts to all homebuyers, not just those considered "first time" homebuyers.

"The current \$8,000 credit for first-time buyers has had a constructive effect on our housing market this year, however the tax credit expires December 1, 2009," Mitchell said. "We should extend this tax credit, and expand it, to help every qualified American who wants to buy a home. The housing market is absolutely critical to the Valley's economy, and an expanded tax credit for homebuyers will help accelerate the recovery."

The American Recovery and Reinvestment Act included a temporary \$8,000 tax credit for first-time homebuyers, a tax incentive that is helping to spur the housing market for homes priced below \$150,000 [Source: [Arizona Republic](#), May 27, 2009].

Following the institution of the \$8,000 tax credit, the Phoenix metro area has seen a growth in first-time home sales, especially in homes below \$150,000. According to at least one recent survey, home sales reached 9,614 in June, up 11 percent from May [Source: [The Arizona Republic](#), July 8, 2009].

Mitchell has asked Chairman Rangel to consider two bipartisan bills: H.R. 101, The Economic Recovery Through Responsible Homeownership Act of 2009, which would provide up to \$10,000 in tax breaks to any homebuyer who makes a qualifying down payment and H.R. 1245, the Homebuyer Tax Credit Act of 2009, which would provide a tax credit of up to \$15,000. H.R. 1245 has been endorsed by the National Association of Realtors, the Mortgage Bankers Association, Business Roundtable, and the American Land Title Association.

A measure similar to H.R. 1245 is currently pending before the Senate. S. 1230, the Home Buyer Tax Credit Act of 2009, was introduced in June by Senate Banking, Housing and Urban Affairs Committee Chairman Chris Dodd (D-Conn.) and Senator Johnny Isakson (R-Ga.).

While in Congress, Mitchell has had a strong record of providing tax relief for families in Arizona. In addition to tax credits for homebuyers, Mitchell has also voted for tax cuts and incentives impacting American families, small businesses, and renewable energy producers and consumers. Included in these cuts is the Making Work Pay Tax Cut, which provides \$1.1 Billion in immediate and sustained tax relief to over two million Arizona families. The relief provides a refundable tax credit of up to \$400 per individual or \$800 per couple filing jointly. By April 1<sup>st</sup>, 2009, most workers began seeing an increase in their take-home pay [Source: [Recovery.gov](http://Recovery.gov)].

The full text of Mitchell's letter is below:

*The Honorable Charles B. Rangel*

*Chairman*

*House Ways and Means Committee*

*1102 Longworth House Office Building*

*Washington, DC 20515*

*Dear Chairman Rangel:*

*As you know, housing markets across the country continue to face serious challenges. Arizona has been hit especially hard. We have seen home values drop by double-digit percentages, and our state ranks in the top five in the nation for foreclosures.*

*With your leadership, the American Recovery and Reinvestment Act, H.R. 1, included a temporary \$8,000 tax credit for first-time homebuyers. So far, this tax credit is having a positive effect. In the Phoenix metropolitan area, we have seen a growth in first-time home sales, especially of homes below \$150,000. According to at least one recent survey, home sales reached 9,614 in June, up 11 percent from May.*

*While this is a good start, I believe we need to do more. I believe that we need to enhance this incentive, and extend tax cuts to all homebuyers, not just first-time homebuyers.*

*With the tax credit set to expire on December 1, 2009, I wish to respectfully encourage you to consider two bipartisan bills. H.R. 101, the Economic Recovery Through Responsible Homeownership Act of 2009, which would provide tax credits up to \$10,000 for homebuyers who make a qualifying down payment, and H.R. 1245, the Homebuyer Tax Credit Act of 2009, which would provide all homebuyers a tax credit worth 10 percent of their principal, up to*

*\$15,000. H.R. 1245 has been endorsed by the National Association of Realtors, the Mortgage Bankers Association, Business Roundtable, and the American Land Title Association.*

*Incentives like these would encourage home sales, investments that are sorely needed to jumpstart our economy.*

*Thank you for your consideration.*

*Sincerely,*

*Harry E. Mitchell*

*Member of Congress*